

EXHIBIT 26, PART F

1 Estate of Marilyn Monroe: LASC No. 453,333

2
3 arrange for storage of all of the items involved. However,
4 before the furniture and furnishings were
5 chaser of the real property requested the
6 buying certain of the items that were
7 for use in the house. Petitioner's attorneys,
8 met with the buyer, so that the latter could designate which
9 items he desired. Thereafter, petitioner's attorneys had
10 these items separately appraised so that they
11 at not less than the appraised value, and prepared the
12 Return of Sale of Personal Property and the Order based
13 thereon, and draw the necessary documents to complete the
14 transaction. Said attorneys then arranged with the Special
15 Administratrix so that prior to delivery of possession of the
16 house to the buyer, all the remaining items of furniture and
17 furnishings could be boxed and stored with a warehouse.

18 Petitioner's said attorneys estimate that they
19 expended ten (10) hours in connection with the foregoing ser-
20 vices.

21 4. Extraordinary Services Re Creditors' Claims:

22 Following decedent's death, there were thirty-five
23 creditors' claims filed against the estate in California.
24 While petitioner's attorneys recognize that the processing
25 of creditors' claims is part of the normal duties of admin-
26 istration, for which statutory fees are allowed, said

27 ...

28

EXHIBIT III

(20)

SFAI 0188

1 Estate of Marilyn Monroe: LASC No. 458,935

2
3 attorneys point out that, in this estate, a portion of the
4 services were extraordinary in that there was no one alive in
5 a position to advise as to the accuracy of the claims
6 or the extent of decedent's outstanding obligations.
7 consequence, said attorneys had to make inquiries
8 tions with respect to said claims, which involved, among
9 other things, separate meetings with many of the claimants
10 to examine into the nature of the claim.

11 Furthermore, in connection with the claim of Wm.
12 Bright, the interior decorator, it was necessary to analyze
13 a large number of items to determine whether there was a
14 firm commitment or merely a proposed estimate which could
15 be canceled. In this connection, petitioner's attorneys
16 arranged to cancel an order for a rug from Mexico, which had
17 been ordered and woven to size in Mexico and was at that time
18 being held for delivery. In addition, there were demands
19 from the Los Angeles Bureau of Customs regarding a carton
20 containing a specifically constructed chest, which the Bureau
21 of Customs was holding for transportation and storage charges.
22 Upon investigation, it appeared that the decedent had paid
23 \$360.00 for the chest and that the total charges to redeem
24 amounted to approximately \$300.00. After several consulta-
25 tions with the interior decorator, petitioner's attorneys
26 recommended to the ancillary executor that the chest not be

27

28

EXHIBIT 111

(21)

SFAL 0189

1 Estate of Marilyn Monroe: LASC No. 458,935

2
3 redeemed but that the Bureau of Customs be allowed to sell
4 it for the charges.

5 In connection with the creditor's claim of MCA Artists, Ltd.,
6 Artists, Ltd., said attorneys were required to obtain
7 extensive agency contracts in order to advise the

8 executor as to the basis for the claim and its propriety.

9 Subsequently, when the time came to pay the claims, said
10 attorneys suggested to the ancillary executor the amount
11 whereby the creditor's claim of MCA Artists, Ltd. could be
12 paid out of the domiciliary probate estate in New York, so
13 that the claim, including the contingent portion thereof,
14 could be released in California, the ancillary administration
15 be released in California and the administration settled.
16 Said attorneys, further, handled the negotiations with respect
17 thereto, insofar as the California representatives of the
18 claimant were involved.

19 Petitioner's said attorneys estimate that their services
20 in connection with the handling of those aspects of the

21 creditors' claims set forth above, over and apart from the
22 normal services of handling creditors' claims, involved ap-
23 proximately twenty-five (25) hours of time.

24 ...

25 ...

26 ...

27 ...

28 ...

EXHIBIT III

(22)

56A10190

1 Estate of Marilyn Monroe: LASC No. 458,935

2

3 such determination, none of decedent's contract rights
4 were included in measuring such tax in California.

5

6 Petitioner's attorneys assembled the
7 information with respect to the California assets
and obligations of decedent for the purpose of

8 Federal Estate Tax Return and in connection with a

9 Notice of Levy from the U. S. Treasury Department,

10 Internal Revenue Service, for federal estate taxes

11 in the sum of approximately \$135,000.00 which was

12 served on said attorneys, and worked with the

13 domiciliary executor in ultimately obtaining the

14 necessary evidence of payment and the formal

15 Release of Levy.

16

Said attorneys allege that they expended
17 more than twenty (20) hours in connection with the
18 foregoing complicated tax matters.

19

(b) Upon decedent's death, her estate became

20 entitled to a percentage of the receipts

21 from various motion pictures, including "Some Like It

22 Hot" and "The Misfits", on a continuing basis. The

23 moneys involved were paid to the domiciliary executor

24 in New York and income tax returns reporting such

25 receipts were filed, and taxes paid thereon, in 1967.

26

In 1971, when the ancillary executor herein

27 prepared to file his Petition for Final Distribution,

28

EXHIBIT III

(24)

SPAI 0192

1 Estate of Marilyn Monroe: LASC No. 458,935

3 he sought an Income Tax Certificate from the
4 Franchise Tax Board in accordance with the then
5 applicable requirements of law. The Franchise
6 Tax Board responded with a claim that petitioner
7 owed the State of California fiduciary income
8 taxes for the years 1963 through 1970, based upon
9 the estate's share of gross receipts from the
10 above entitled pictures attributable to decedent's
11 services rendered in California.

12 In accordance with instructions furnished
13 by petitioner's attorneys herein, the accountants
14 for the estate prepared appropriate fiduciary income
15 tax returns for the years in question and submitted
16 them to the Franchise Tax Board under protest.
17 Extensive negotiations and discussions were then
18 carried on between said attorneys and representa-
19 tives of the Franchise Tax Board with respect to
20 the legal position of the estate that such income
21 was not subject to tax. After considering the legal
22 arguments asserted by the attorneys herein, the
23 Franchise Tax Board served notice of proposed assess-
24 ments of tax against the ancillary executor for the
25 years 1963 through 1970. Petitioner, through
26 his attorneys, appealed from such assessments.

27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

1 Estate of Marilyn Monroe: LASC No. 458,335

2
3 The point in issue in the proceedings was a
4 completely novel point of law; namely, what, if any,
5 California Revenue and Taxation Code and provisions
6 thereunder permitted the taxation of income
7 ~~from~~ SOURCE income of receipts from contracts which had
8 been valued for tax purposes as assets of decedent's
9 domiciliary estate and were passively received in
10 such domiciliary estate outside of California.
11 The question involved matters of constitutional law,
12 statutory construction and the interpretation of
13 the Franchise Tax Board's own rulings.

14 Extensive research was carried on by said
15 attorneys, both with respect to the facts and the
16 law; an opening brief and a reply brief were filed
17 in support of the estate's position. The matter
18 came on for hearing before the Board of Equaliza-
19 tion and was orally argued at length before the full
20 Board in December, 1973.

21 In 1975, the Board of Equalization ultimately
22 affirmed the Franchise Tax Board's determination of
23 tax. The taxes, penalties and interest involved
24 totaled approximately \$93,000. Before determining
25 whether or not to appeal further, said attorneys
26 discussed with the Franchise Tax Board, and subse-
27 quently with the California Attorney General's office,

28 ...

EXHIBIT III

(26)

SPAI 0194

1 Estate of Marilyn Monroe: IASC No. 458,935

2
3 the possibility of settlement. Negotiations were
4 conducted on the basis that this was a matter of
5 first impression, that there were substantial
6 issues of law which the courts would have to
7 upon, and that it was advantageous both to the
8 State and to the estate to dispose of the matter
9 as promptly as possible on a reduced basis.

10 Ultimately, after said attorneys, with the approval
11 of petitioner, had prepared and submitted various
12 proposals, the State of California agreed to a
13 settlement which waived all penalties and accepted
14 the sum of approximately \$52,000, as payment in
15 full. The domiciliary estate supplied a substan-
16 tial portion of the funds necessary to make this
17 settlement possible. Said attorneys reviewed and
18 approved the settlement documents prepared. Said
19 attorneys then prepared a Petition for Order
20 ~~Approving Compromise and Settlement of the Estate~~, it-
21 tending a hearing thereon, and after approval by
22 the Court, prepared the Order of Approving Compro-
23 mise. Payment has been effected and the action
24 has been dismissed.

25 In the preparation of the briefs, negotiations,
26 hearing, argument and settlement procedures, said
27 attorneys have expended in excess of one hundred
28 (100) hours.

EXHIBIT III

(27)

SEAL 0185